GOVERNMENT OF ANDHRA PRADESH
ABSTRACT

MA & UD Dept.- Nellore Municipal Corporation- Providing Comprehensive Water Supply and Underground Drainage Scheme under HUDCO Assistance – Orders issued according Administrative Sanction for taking up the Project – State Government Guarantee – Accorded - Orders – Issued.

MUNICIPAL ADMINISTRATION & URBAN DEVELOPMENT (BUDGET) DEPARTMENT

G.O.Ms.No.256 Dated. 21-10-2016.
Read the following:-

1) Loan Agreement entered into by HUDCO and Nellore Municipal Corporation, dated. 31.5.2015.
2) G.O. Ms. No. 272, MA & UD (Bud) Dept., dt.18.12.2015
3) G.O. Rt. No. 819, MA & UD (Bud) Dept., dt. 28.12.2015
4) From the Chief Engineer(Public Health),AP., Guntur Lr.No.87/T4/A1 /NLR(W)/WSIS/HUDCO/2016, dated.06.09.2016.
5) From Dy.General Manager (Law),HUDCO, Lr.No.HUDCO/ VRO/NMC/ SchmeNo.20760&20761/2016, dt.20.09.2016

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ORDER:

Government vide G.O. 2nd read above, have accorded Administrative Sanction for providing Comprehensive Water Supply Scheme at a cost of Rs.556.77 Crores (Rupees Five Hundred Five Fifty Six Crores and Seventy Seven Lakhs only)under HUDCO Loan Assistance for Nellore Municipal Corporation with the following source of funding:-

1.	Loan by HUDCO 90%	Rs. 475.00 Cr
2.	ULB Contribution 10%	Rs. 54.24 Cr
3.	State funding as additional amount	Rs. 27.53 Cr

2. Government vide G.O. 3rd read above, have accorded Administrative Sanction for providing Comprehensive Under Ground Drainage Scheme under HUDCO Assistance in Nellore Municipal Corporation at a cost of Rs.580.85 Crores (Rupees Five Hundred Eighty Crores and Eighty Five Lakhs only).

1.	HUDCO Loan 90 %:	Rs.520.00 Crores
2.	ULB Share 10 %	Rs.60.85 Crores

3. In the reference 4th read above, the Chief Engineer (PH), A.P., Guntur has stated that the Commissioner, Nellore Municipal Corporation has concluded the Loan Agreement to borrow loan from HUDCO, for 90 % of the project cost of Rs.520.00 Crores towards UGD; and Rs.475.00 Crores towards Water Supply Improvement Scheme. He has also stated that, as required by the HUDCO authorities, Budget support as well as Surety Agreement are essentially required for the already sanctioned loan for the above projects. Therefore, the Chief Engineer (PH),AP., Guntur has requested the Government to obtain necessary orders for counter Guarantee from Finance Department for 90% of HUDCO loan and for making budgetary provisions for meeting the ULB share of 10% for release of HUDCO loan for enabling the Nellore Municipal Corporation to complete the above schemes in stipulated time.

4. In the reference 5th read above, the Deputy General Manager (Law), HUDCO has addressed the Municipal Corporation, Nellore stating that, HUDCO has stipulated the condition of Budgetary Provision (for both the schemes) by the State Government

(P.T.O)

towards the repayment of HUDCO Loan, since the financial status of Nellore Municipal Corporation is not sufficient for repayment installments. Therefore, he has requested the Municipal Commissioner, Nellore to get to make the budgetary provision by State Government towards the repayment of HUDCO loan installments with interest, so as to enable the HUDCO to release the loan.

5. Government, in the above circumstances, and after careful examination of the matter hereby extend the State Government Guarantee for the two HUDCO Loans i.e. Rs.475.00 Crores (Rupees Four Hundred and Seventy Five Crores only) for Comprehensive Water Supply Improvement Scheme and Rs.520.00 Cr.(Rupees Five Hundred Twenty Crores only) for Under Ground Drainage Scheme for Nellore Municipal Corporation as per the terms and conditions of the Loan Agreements already entered between the Nellore Municipal Corporation and HUDCO vide the reference 1st read above for the above two Projects.

6. The Chief Engineer (PH), A.P., Guntur / the Commissioner, Nellore Municipal Corporation shall take further necessary action in consultation with HUDCO Authorities as per rules in force and furnish the action taken report to the Government.

7. This order issued with the concurrence of the Finance Department vide their U.O No.44027/253/2016, dated 19.10.2016.

(BY ORDER AND IN THE NAME OF THE GOVENOR OF ANDHRA PRADESH)

R.KARIKAL VALAVEN
PRINCIPAL SECRETARY TO GOVERNMENT

To
The Chief Engineer (Public Health), A.P., Guntur.
The Director of Municipal Administration, A.P.,Guntur.
The Commissioner, Nellore Municipal Corporation, Nellore
The Dy. General Manager (Law), Housing Urban
Development Corporation (HUDCO), India Habitat Centre,
Lodhi Road, New Delhi - 110 003
Copy to:
The Principal Accountant General, A.P., Hyderabad.
The Director of Treasuries and Accounts, AP., Guntur
The P.S. to Hon'ble Minister (MA).
The P.S. to Spl. Chief Secretary to C.M.
The P.S. to Prl. Secretary to Government, MA & UD Department.
The GA(Cabinet) Department, Secretariat, AP.,Velagapudi.
Sf/Sc

// FORWARDED :: BY ORDER //

SECTION OFFICER